



RunawayRx, a project of the California Association of Health Plans, highlights noteworthy articles and information on the acceleration of prescription drug pricing.

The drug companies seem to be impervious to the cacophony of ire and outrage over the massive surge in drug pricing over the past couple of years. Even Wall Street acknowledges that the surge in pricing is not attributed to supporting the cost of developing, manufacturing and distributing the medicines. However, with governments, consumers, taxpayers and health care payers all demanding transparency and overall tempering in pricing, policy change will come eventually.

Ignoring Criticism, Drug Companies Still Raising Prices, Making More Money

TheStreet

April 20, 2016 | By Adam Feurestein

“Everyone is screaming about drug prices. They’re too damn high! Drug spending is going to bankrupt the health care system. Raising the price of drugs multiple times per year is unconscionable and unsustainable.

“How are biotech and pharmaceutical companies responding to all the criticism? They’re raising drug prices even more.

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“And increasingly, nearly all of the surplus revenue generated from those price hikes is staying with the drug companies instead of being extracted by insurers and pharmacy benefits managers in the form of higher rebates, said Leerink Partners analyst Geoff Porges...

“...In other words, efforts by insurers and PBMs to negotiate higher discounts or rebates on specialty pharmaceutical products isn’t keeping pace with the price increases pushed through by drug and biotech companies. Likewise, politicians ranting about outrageously high drug prices aren’t having a moderating effect on industry practices – at least not yet.”

Read more: <http://www.thestreet.com/story/13537689/1/ignoring-criticism-drug-companies-still-raising-prices-making-more-money.html>

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The California Association of Health Plans’ RunawayRx project sheds light on the acceleration of prescription drug pricing and how it impacts health care affordability, encouraging a route toward sustainable pricing. For more information, please visit www.RunawayRx.org or follow us on Twitter at [@Runaway Rx](https://twitter.com/Runaway_Rx).